

AMENDED IN ASSEMBLY SEPTEMBER 4, 2003

AMENDED IN ASSEMBLY JUNE 26, 2003

AMENDED IN ASSEMBLY JUNE 18, 2003

AMENDED IN ASSEMBLY MAY 28, 2003

SENATE BILL

No. 377

Introduced by Senator Chesbro
(Coauthor: Assembly Member Cohn)

February 19, 2003

An act to amend Sections 124555 and 124710 of, and to add Section 124586 to, the Health and Safety Code, relating to health, ~~making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 377, as amended, Chesbro. Health services.

Under existing law, the State Department of Health Services administers a program for American Indian health services and is required to use funds appropriated to the department for the purposes of the program to provide specified assistance to urban and rural American Indian health programs and to assist these programs in planning, implementing, and upgrading programs to attain a comprehensive health services delivery system for American Indians in urban and rural areas. Existing law provides for the award of contracts and grants for purposes of the program.

This bill would require the department to provide semiannual prospective payments to a grantee during a 12-month fiscal period, in accordance with specified criteria, to the extent funds are available.

~~Existing law requires the department to grant funds for up to 3 years per grant, to eligible private, nonprofit, community-based primary care clinics for the purpose of establishing and maintaining a health services program for seasonal agricultural and migratory workers and their families and for rural health services.~~

~~This bill would require that the grants shall be for a minimum of 3 years, and would make the application of the grant extension retroactive to funds appropriated in the Budget Act of 2002.~~

~~This bill would authorize the department to pay any grantee whose grant expired on June 30, 2003, until June 30, 2004, as if the grant had been extended, provided that funds are appropriated for this purpose in the Budget Act of 2003 and the grantee agrees in writing to expend the money as if the grant had been extended.~~

~~Unless otherwise specified, funds appropriated in the Budget Act are available for expenditure in the year for which the Budget Act is enacted. By extending the period of the grants for which funds have been appropriated, this bill would result in an appropriation.~~

~~This bill would declare that it is to take effect immediately as an urgency statute.~~

~~Vote: $\frac{2}{3}$ majority. Appropriation: yes no. Fiscal committee: yes. State-mandated local program: no.~~

The people of the State of California do enact as follows:

- 1 ~~SECTION 1.—Section 124555 of the Health and Safety Code~~
- 2 ~~is amended to read:~~
- 3 ~~124555. —(a) (1) It is the intent of the Legislature that funds~~
- 4 ~~distributed under this section promote stability for participating~~
- 5 ~~clinics, as a part of the state's health care safety net, and at the same~~
- 6 ~~time be distributed in a manner that best promotes access to health~~
- 7 ~~care to seasonal agricultural and migratory workers and their~~
- 8 ~~families.~~
- 9 ~~(2) The department shall grant funds, for a minimum of three~~
- 10 ~~years per grant, retroactive to funds appropriated in the Budget Act~~
- 11 ~~of 2002 (Chapter 379 of the Statutes of 2002), to eligible, private,~~
- 12 ~~nonprofit, community-based primary care clinics for the purpose~~
- 13 ~~of establishing and maintaining a health services program for~~
- 14 ~~seasonal agricultural and migratory workers and their families.~~
- 15 ~~The department may continue to pay any grantee whose grant~~
- 16 ~~expired on June 30, 2003, until June 30, 2004, as if the grant had~~

1 ~~been extended, provided that funds are appropriated for this~~
2 ~~purpose in the Budget Act of 2003 and the grantee agrees in writing~~
3 ~~to expend the money as if the grant had been extended.~~

4 ~~(b) In order to be eligible to receive funds under this program,~~
5 ~~a clinic shall, at a minimum, meet all of the following conditions:~~

6 ~~(1) The clinic shall be licensed under either paragraph (1) or (2)~~
7 ~~of subdivision (a) of Section 1204.~~

8 ~~(2) The clinic's patient population shall include at least 25~~
9 ~~percent farmworkers and their dependents.~~

10 ~~(3) The clinic shall operate in a medically underserved area,~~
11 ~~including a Health Professional Shortage Area, or serve a~~
12 ~~medically underserved population, as designated by the United~~
13 ~~States Department of Health and Human Services, or shall be able~~
14 ~~to demonstrate that at least 50 percent of its patients are persons~~
15 ~~with incomes at or below 200 percent of the federal poverty level.~~

16 ~~(e) The department shall seek input from stakeholders in~~
17 ~~designing the methodology for distribution of funds under this~~
18 ~~section.~~

19 ~~SEC. 2.—~~

20 *SECTION 1.* Section 124586 is added to the Health and Safety
21 Code, to read:

22 124586. (a) Notwithstanding any other provision of law, the
23 department shall, to the extent that funds are available, provide to
24 a grantee under this chapter semiannual prospective payments, as
25 specified in this section, during a 12-month fiscal year.

26 (b) The first semiannual prospective payment, in an amount
27 equal to not more than 50 percent of the total grant, shall be
28 processed for payment to the grantee following the enactment of
29 the annual Budget Act, and upon formal execution of the grant by
30 the state and shall be contingent upon both of the following:

31 (1) A written request for payment from the grantee.

32 (2) The grantee's timely and accurate submission, and the
33 department's approval, of the progress reports required under the
34 grant, budget expenditure report, and annual reconciliation report,
35 from the prior year.

36 (c) Based upon the grantee's timely and accurate submission of
37 the progress reports and budget expenditure reports from the grant
38 year, and satisfactory performance under the grant, the processing
39 of a second semiannual prospective payment of not more than 40
40 percent of the total grant shall be processed by the department for

1 payment to a grantee no earlier than January 1 during the term of
2 the grant year. The processing of the grantee's second semiannual
3 prospective payment by the department shall be contingent upon
4 both of the following:

5 (1) A written request for payment from the grantee.

6 (2) The grantee's timely and accurate submission, and the
7 department's approval, of progress reports and budget expenditure
8 reports.

9 (d) Any remaining amount, which shall be at least 10 percent
10 of the total grant award, shall be retained by the department,
11 pending satisfactory submission by the grantee of all progress
12 reports required by the grant, budget expenditure reports, and an
13 annual reconciliation report for the grant year. Payment of the
14 withheld amount shall be processed by the department for payment
15 to the grantee contingent upon both of the following:

16 (1) A written request for payment from the grantee.

17 (2) The grantee's timely and accurate submission, and the
18 department's approval, of all progress reports required under the
19 grant, budget expenditure reports from the grant year, the annual
20 reconciliation report for the grant year, and satisfactory
21 performance under the grant.

22 ~~SEC. 3. Section 124710 of the Health and Safety Code is~~
23 ~~amended to read:~~

24 ~~124710. (a) (1) It is the intent of the Legislature that funds~~
25 ~~distributed under this section promote stability for participating~~
26 ~~clinics, as a part of the state's health care safety net, and at the same~~
27 ~~time be distributed in a manner that best promotes access to health~~
28 ~~care to geographically isolated populations.~~

29 ~~(2) The department shall grant funds, for a minimum of three~~
30 ~~years per grant, retroactive to funds appropriated in the Budget Act~~
31 ~~of 2002 (Chapter 379 of the Statutes of 2002), to eligible, private,~~
32 ~~nonprofit, community-based primary care clinics for the purpose~~
33 ~~of establishing and maintaining rural health services and~~
34 ~~development projects as specified under this article. The~~
35 ~~department may continue to pay any grantee whose grant expired~~
36 ~~on June 30, 2003, until June 30, 2004, as if the grant had been~~
37 ~~extended, provided that funds are appropriated for this purpose in~~
38 ~~the Budget Act of 2003 and the grantee agrees in writing to expend~~
39 ~~the money as if the grant had been extended.~~

~~(b) In order to be eligible to receive funds under this program, a clinic shall, at a minimum, meet all of the following conditions:~~

~~(1) The clinic shall be licensed under paragraph (1) or (2) of subdivision (a) of Section 1204.~~

~~(2) The clinic shall operate in a “rural” Medical Study Service Area, as defined by the Health Manpower Commission.~~

~~(3) The clinic shall operate in a medically underserved area, including a Health Professional Shortage Area, or serve a medically underserved population, as designated by the United States Department of Health and Human Services, or shall be able to demonstrate that at least 50 percent of its patients are persons with incomes at or below 200 percent of the federal poverty level.~~

~~(c) The department shall seek input from stakeholders in designing the methodology for distribution of funds under this section.~~

~~(d) If the funds that are available for purposes of this section for any fiscal year are greater than funds that were available for the prior fiscal year, the department shall establish a base funding level that is applicable to all sites funded in the prior fiscal year. To the extent that funds are available, the base funding level shall not be less than seventy-five thousand dollars (\$75,000) for each site. To implement this section, the department shall not be required to reduce funding for clinics that are above the minimum awards.~~

~~SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:~~

~~In order to provide funding for essential health care programs, at the earliest possible time, it is necessary that this act take effect immediately.~~